

Managing and Governing
your IT Resources

Jim McAndrew
Chief Information Officer
Ohio Dept. of Taxation

FTA
Annual Meeting



Agenda

- What is IT Governance
- Why the heck are we talking about IT Governance in a management meeting
- Why do we want IT Governance
- IT Governance Goals/Objectives
- IT Governance vs. IT Management
- Ohio's Governance Model
- Q&A

What is IT Governance

- IT Governance is the administering of IT resources by the processes of strategic planning, prioritization, decision-making, and performance measurement.
- IT Governance has 3 core components
 - . What decisions need to be made?
 - . . . decisions about major **IT domains**
 - . Who has decision and input rights?
 - . . . Rights are exercised in different **governance styles**
 - . How are the decisions formed and enacted?
 - . . . Multiple **mechanisms** make governance work

What Decisions Need To Be Made?

.. Clarify Five Major IT Decision Domains

IT Principles	High level statements about how IT is used in the business
IT Infrastructure Strategies	Strategies for the base foundation of budgeted-for IT capability (both technical and human), shared throughout the firm as reliable services, and centrally coordinated (e.g., network, help desk, shared data)
IT Architecture	An integrated set of technical choices to guide the organization in satisfying business needs. The architecture is a set of policies and rules that govern the use of IT and plot a migration path to the way business will be done (includes data, technology, and applications)
Business Application Needs	Business applications to be acquired or built
IT Investment and Prioritization	Decisions about how much and where to invest in IT including project approvals and justification techniques

Who Has Decision Rights And Inputs?

. . . Rights Exercised In Six Governance Styles

Business Monarchy	C-level executives, as a group or individuals, including the CIO (but not acting independently)
IT Monarchy	Individuals or groups of IT executives
Feudal	Business unit leaders or their delegates
Federal	C-level executives and at least one other business group
Duopoly	IT executives and at least one other business group
Anarchy	Each individual business process owner or end user

How Are The Decisions Formed, Enacted? .. *Many Mechanisms Make Governance Work*

Governance Mechanisms	Objective
Executive committee	Take a holistic view
IT council of business, IT executives	Focus on driving value
IT leadership committee	Coordinate across the enterprise
Architecture committee	Identify strategic technologies
Business/IT relationship managers	Ensure feedback, good iteration
Process teams with IT members	Take a process view
Service-level agreements	Specify, measure IT services
Chargeback arrangements	Shape behavior, recoup costs

Why are we talking IT in a management session?

- Governance is a management responsibility
- IT is a fundamental component of virtually every aspect of the business operations
- IT has a major impact on organizational outcomes and represents significant investments.
- IT is also a key enabler of transformational change

Why do we want or need IT Governance

- Does anyone remember Enron or WorldCom
- Taxpayers expect/deserve it
- Accountability
- Buy-in
- Alignment
- Collaboration
- Communication
- It is the right thing to do

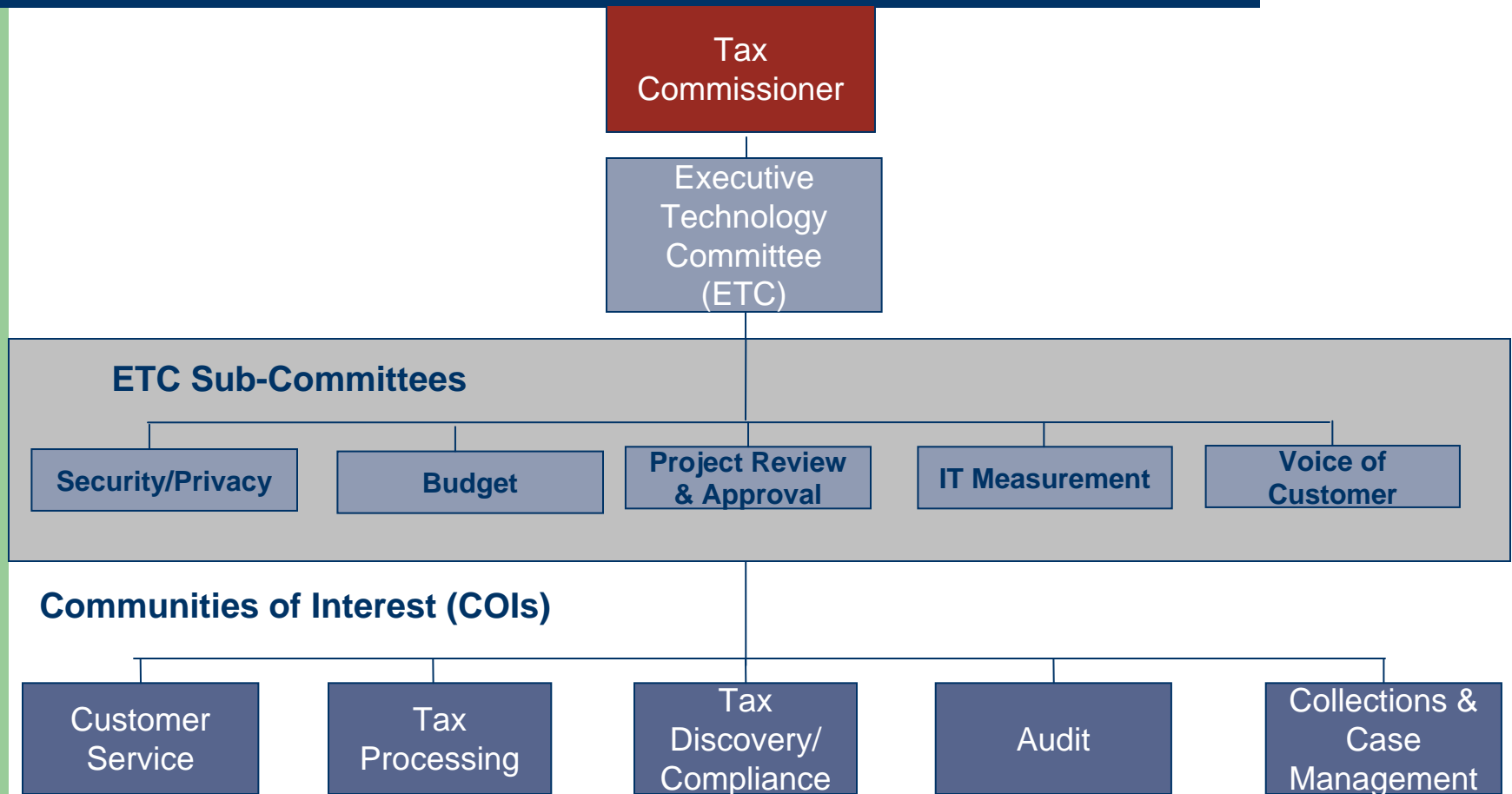
IT Governance Goals/Objectives

- Goals/Objectives
 - Assure that the investments in IT generate business value
 - Mitigate the risks that are associated with IT
 - IT/Business Alignment
 - Establish performance metrics
 - Satisfy regulatory and formal compliance requirements
 - Identify opportunities for improved IT utilization
 - Improve communications
 - Identify collaboration/shared service opportunities

IT Governance & IT Management are Not the Same

- IT governance is about who is entitled to make major decisions, who has input and who is accountable for implementing those decisions.
- It is not synonymous with IT management.
- IT governance is about decision rights, whereas IT management is about making and implementing specific IT decisions.

ODT Governance Model





QUESTIONS ??????????????????

